

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 11269 071047Z
ACTION EUR-12

INFO OCT-01 ARA-10 EA-10 IO-13 ISO-00 AID-05 CEA-01
CIAE-00 COME-00 EB-08 FRB-03 INR-07 NEA-10
NSAE-00 USIA-06 OPIC-03 SP-02 TRSE-00 LAB-04
SIL-01 AGRE-00 OMB-01 SS-15 /112 W
-----125997 071256Z /53

R 071029Z SEP 77

FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 1690
INFO AMEMBASSY BONN
AMEMBASSY BRASILIA
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY MEXICO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
USMISSION GENEVA

LIMITED OFFICIAL USE BRUSSELS 11269

USEEC

PARIS ALSO FOR OECD

E.O. 11652: N/A
TAGS: EFIN, EAID, IMF, BE
SUBJECT: IBRD/IMF DEVELOPMENT COMMITTEE DISCUSSION
OF THE DEBT ISSUE

REF: STATE 208976

1. MISSION OFFICER RELAYED SUBSTANCE OF US POSITION AS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 11269 071047Z

SUMMARIZED REFTEL TO KLAUS-PIETER SCHMALLENBACH OF THE
EC COMMISSION, WHO HAS BEEN PRINCIPAL OFFICIAL DEALING
WITH DEBT ISSUE FROM DG-II (ECONOMIC AND FINANCIAL
AFFAIRS).

2. SCHMALLENBACH LISTENED WITH INTEREST, NOTING THAT
HE HAD HEARD OF THIS US IDEA IN GENEVA, AND NOW WAS

INTERESTED TO LEARN IT WAS OFFICIAL USG POSITION. PERSONALLY, FROM THE PURELY ECONOMIC AND FINANCIAL VIEWPOINT, HE THOUGHT IT MADE A LOT OF SENSE TO CONNECT ISSUE TO ORGANIZATION WITH TECHNICAL EXPERTISE, WHERE DEBT PROBLEM COULD BE COMPETENTLY ANALYZED AS ONE ASPECT OF LDC BALANCE OF PAYMENTS PROBLEM. HOWEVER, SOME MEMBER STATES WERE NOT WARM TO THE IDEA, EXPECTING SERIOUS POLITICAL PROBLEMS IN ANY EFFORT TO SEPARATE A MAJOR PART OF THE DEBT ISSUE FROM UNCTAD, WHERE THE LDC'S WOULD CLEARLY PREFER TO KEEP IT. THIS WAS ALL THE MORE SO SINCE HE FELT LDC'S PROBABLY UNDERSTOOD VERY WELL THAT THOSE PORTIONS THE US WOULD PROPOSE TO TAKE AWAY FROM UNCTAD WERE THE ONLY AREAS WHERE GENUINE PROGRESS MIGHT BE MADE. SCHMALLENBACH, OF COURSE, RECOGNIZED DIFFICULTIES WITH HAVING CONSTRUCTIVE DISCUSSION ON "REAL" DEBT PROBLEMS IN UNCTAD.

3. SCHMALLENBACH ALSO RAISED MATTER OF RELATION OF NEW WITTEVEEN FACILITY TO DEBT ISSUE. ALTHOUGH COMMISSION HAD NOT THOUGHT VERY DEEPLY ABOUT THIS RELATIONSHIP, IT SEEMED TO THEM DEBT PROBLEMS NEEDED TO BE RECONSIDERED WITH THIS SUBSTANTIAL INCREASE IN OFFICIAL FINANCING IN MIND. ALTHOUGH ACCESS TO WITTEVEEN FACILITY WAS NOT RELATED TO DEBT PER SE, EXISTENCE OF ADDITIONAL POTENTIAL IMF BALANCE OF PAYMENTS SUPPORT WOULD CLEARLY HELP TO EASE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRUSSE 11269 071047Z

INDEBTEDNESS PROBLEMS.

4. SCHMALLENBACH SAID HE WAS LOOKING FORWARD TO CHANCE TO DISCUSS THESE MATTERS FURTHER AFTERNOON OF SEPTEMBER 6 WITH US OFFICIALS (MESSRS. BOSWORTH, FRANK AND ALBRECHT). MORRIS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEES, DEBTS, MEETINGS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRUSSE11269
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770323-0422
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770992/aaaacztc.tel
Line Count: 100
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3845034d-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 208976
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1370320
Secure: OPEN
Status: NATIVE
Subject: IBRD/IMF DEVELOPMENT COMMITTEE DISCUSSION OF THE DEBT ISSUE
TAGS: EFIN, EAID, BE, US, IMF
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/3845034d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009